

A RECORD OF
RETIREMENT BENEFITS
AND ENTITLEMENTS

for _____



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This booklet has been prepared solely for your use and reference. It contains a presentation of the specific benefits and entitlements resulting from your retirement from the Federal Service as well as other information that will be of lasting interest to you. We suggest you keep this booklet with your other important papers.

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ANNUITY AND CREDITABLE SERVICE

Your retirement date is _____, Based on that date and other factors known at this time, the following information on your creditable service and annuity has been prepared:

| | | |
|---|------------|--------------|
| Creditable Service: | _____ yrs. | _____ mos. |
| *Credit for Projected Sick Leave: | _____ hrs. | |
| TOTAL: | _____ yrs. | _____ mos. |
| High-Three Average Salary: | \$ _____ | |
| Basic Annuity: | \$ _____ | \$ _____ p/m |
| Reduced Annuity to Provide for Survivor Annuity: | \$ _____ | \$ _____ p/m |
| Survivor Annuity for Spouse: | \$ _____ | \$ _____ p/m |

*If you use any of this sick leave before you retire, this credit will be reduced and may have an effect on your annuity.

All your creditable Federal civilian service is not covered by contributions to the retirement fund. Details of non-covered service and estimated amounts due are:

The above estimate includes a reduction of 10% of the amount due.

You are claiming military service for these periods:

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This (is) (is not) verified by official records confirming such service. It (is) (is not) necessary for you to furnish copies of your discharge papers verifying *active* duty.

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INSURANCES

FEGLI

You are currently carrying \$_____ of regular coverage. You (may) (may not) carry this coverage into retirement (counselor will explain if you may not). Upon retirement this amount, minus Accidental Death and Dismemberment Benefits, is premium free until age sixty-five. At that age, your coverage will begin to be reduced 2% per month until \$_____ (1/4 of your coverage at retirement) and will remain at that amount, premium free, for the remainder of your life.

You (are) (are not) carrying the OPTIONAL increment of FEGLI insurance (\$10,000) at this time. You (may) (may not) carry the additional insurance into retirement. If you may, the premium will be deducted from your annuity payments. The premium for this insurance increases with age as shown by the figures for the ages shown (which are effective as of the date of the publication of this booklet).

| <u>Age</u> | <u>Monthly Premium</u> |
|------------|------------------------|
| 50 | \$ 9.75 |
| 55 | 22.75 |
| 60 | 30.33 |

You must pay for this insurance until age sixty-five when it becomes premium-free. It will then be reduced 2% per month until a reduced coverage of \$2,500 is reached. That amount will remain unchanged and premium-free for the rest of your life.

You have designated the following as beneficiary under your FEGLI policy:

There is no Form 54, Designation of Beneficiary, on file. In the absence of such designation, this legal order of precedence will apply:

1. To the widow or widower.
2. If neither of the above, to the child or children, with the share of any deceased child distributed among the descendants of that child.
3. If none of the above, to the parents or the survivor of them.
4. If none of the above, to the executor or administrator of the estate.
5. If none of the above, to the other next of kin who are entitled under the laws of the domicile of the insured at the date of his death.

Hospitalization Insurance

You are currently carrying the _____ Plan under the Health Benefits program. You (are) (are not) eligible to retain the hospitalization coverage as a retiree. If eligible to continue with the coverage, the monthly premium will be withheld from your annuity check. At the time of your retirement this monthly premium will be \$ _____, but it is possible that it may be changed in future years.

All claims for reimbursement under your Hospitalization Insurance should be sent to the address on the reverse side of your Hospitalization Identification card.

UBLIC

You are currently carrying \$ _____ UBLIC insurance. You (may) (may not) carry this into retirement. (If you may not, your counselor will explain why.) You may continue this same coverage after you retire to age sixty at the rate of monthly premium applicable to your age group. You may make payments in this manner: _____

At age sixty, your UBLIC coverage will be reduced to \$ _____ and will be premium-free but Accidental Death and Dismemberment Benefits and

coverage for dependents will cease. At age seventy, your coverage will be further reduced to \$_____ and will be premium-free for the remainder of your life.

SPECIAL NOTE for Persons Retiring on Physical Disability

Employees who retire because of disability can continue their UBLIC insurance after retirement even though they may not have had it for ten years prior to retirement. In such a case, credit is given for so many of those participating years between retirement and age sixty as are necessary to complete your ten years of UBLIC coverage at age sixty. Your counselor will arrange an appointment for you to discuss your situation with a representative of the Insurance Branch in the event you have not had UBLIC coverage for ten years.

You have designated the following as beneficiary under your UBLIC policy:

WAEPA

You are currently carrying \$_____ of this insurance. You (may) (may not) continue this policy after retirement. (If not, your counselor will explain why.) After retirement you (may) (may not) carry the standard \$5,000.00 at a cost of \$150.00 a year. Coverage for your dependents will cease upon retirement.

SPECIAL NOTE for Persons Retiring on Physical Disability

You will be eligible to continue \$10,000.00 coverage after retirement at a cost of \$150.00 per year until you reach age sixty-five. At that time:

- Your coverage under WAEPA will cease because you did not have it for fifteen years prior to retirement.
- Your coverage may continue at \$5,000.00 at a cost of \$150.00 a year.

You will make your payments for this insurance in this manner: _____

You have designated the following as beneficiary under your WAEPA policy:

Privilege of Conversion

A person who is retiring has the privilege of converting FEGLI, UBLIC and WAEPA to a commercial policy. There are two situations in which this privilege might be considered:

(a) A person is not eligible to carry the standard coverages (described above) of these insurances into retirement, and so wishes to obtain a policy for his retirement, or

(b) A person wishes to avoid the automatic reductions that will occur in these insurances so that he can maintain a certain level of coverage.

If you are interested in considering further the privilege of conversion, your counselor will arrange an appointment for you with a representative of the Insurance Branch.

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TAXES

Over the years you have been contributing to your retirement annuity and the Government has been making matching contributions. Since the amount you paid has been included in your income in prior years, you have already paid income taxes on it. Your annuity payments will be tax free, therefore, until you have recovered the amount you have paid or contributed. After that, your annuity will be subject to Federal income tax. Whether or not it will be subject to State tax will depend on the laws of the State in which you reside as a retired person.

Shortly after you retire you will receive a statement which will show the total contribution you had made during your Federal employment. This, of course, will be the amount you will receive tax free by way of annuity payments.

You may make arrangements to have your Federal income tax deducted from your monthly annuity check. Whether or not you intend to have such deductions made, a statement of your total annuity payment each year will be sent to the Internal Revenue Service. You will receive a copy of this report. Such deductions may not be made for state income taxes.

You are reminded that it is incumbent upon you to report your annuity income on your Federal income tax from every year, *even during the period when your annuity payments are free from Federal income tax.*

If you elect a survivor annuity, the value of that annuity must (1) be reported to the Internal Revenue Service for purposes of Federal Gift Tax and (2) must be included in your estate for the purpose of the Federal Estate Tax.

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UNUSED ANNUAL LEAVE

When you retire, you will be paid a lump sum for your unused annual leave. A mandatory withholding of 20% Federal tax will be made from this amount, and State tax will be withheld also.

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INVESTMENT PLAN

- _____ You are NOT a participant in the Plan.
- _____ You are a participant and the following options were explained to you:
1. Withdrawal of your investment in cash in a lump sum amount.
 2. Open an individual account in your own name.
 3. Remain in the Plan (but not contributing) up until age sixty-six when you will choose either 1 or 2 above.

The option you chose for your retirement was No. _____ above. (If you chose No. 3, give the Plan Officer your correspondence address.)

You are to use this address when corresponding in regard to your investment in the Plan:

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CREDIT UNION

You may continue your membership in the Credit Union. If you are not a member you may initiate membership upon or after retirement. Members may purchase shares and participate in the distribution of dividends and, subject to certain limitations, may borrow under the same conditions applicable to employees. Retired members must maintain a minimum share balance of one hundred dollars.

You should contact the Credit Union before you retire to give them your correspondence address in retirement and to obtain the address you will use when corresponding with the Credit Union. Record that latter address here for your records.

Address: _____

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RETIREMENT RELOCATION BENEFIT

You (are) (are not) eligible for relocation at government expense from your last post of assignment to a retirement site anywhere in the United States or its possessions. This benefit includes travel of yourself and family, movement of household effects and storage (for three months) of such effects for a time for you to get settled. This benefit should be exercised within twelve (12) months of your retirement. There are many technicalities involved in such relocations; so if you plan to relocate you should call the Central Processing Branch on extension 6891 for an appointment to discuss your intended move with a representative of the Travel Section. Your Personnel Officer should be informed of your intent to relocate so that an appropriate travel order can be issued; you *must* have a travel order to authorize your travel and shipment of effects.

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ADDRESS FOR RETIREMENT MATTERS

The address for you to use when corresponding on matters relating to your annuity, FEGLI insurance, Hospitalization insurance, deductions from annuity, tax (W-2) statements, etc. is:

ADDRESS FOR CONTACTING THE ORGANIZATION

The address for you to use when you wish to correspond with the Organization is:

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HOSPITALIZATION AND MEDICAL INSURANCE BENEFITS AFTER RETIREMENT

This supplement to your booklet on retirement benefits furnishes information on hospitalization and medical insurance benefits after you retire. Part I will be of interest if you are eligible to retain your FEHB hospitalization insurance upon retirement. Your retirement counselor will have told you whether or not you are eligible to continue this insurance when you retire and has made an appropriate entry on page 5 of this booklet. If you are ineligible to carry this insurance into retirement, an explanation is recorded on page 8 of this booklet. Part II pertains to Medicaid and private policies. Part II pertains to benefits from the military services.

PART I

HEALTH INSURANCE AFTER RETIREMENT

When you retire you will most likely elect to retain your hospitalization insurance under the Federal Employees Health Benefits Program (FEHB) which will continue at the same cost and with the same benefits as available to employees. You should be aware, however, that when you attain 65 you will be eligible for at least some of Medicare benefits. Under Medicare, *Hospital Insurance* is available only for retirees who are fully insured for Social Security but *Medical Insurance is available to everyone at age 65 who applies for it and pays the monthly premium*. You will want to compare the benefits from Medicare with those of your FEHB policy because there will become overlapping of benefits. What to do with your FEHB at that time is a decision for you to make with full consideration of your particular needs.

To make that decision will necessitate your knowing what Medicare will cover and what your FEHB will cover. There is little to be gained now in any

examination of Medicare benefits because they will undoubtedly be changed by the time you are age 65. You should however: *at age 64 check with your local Social Security office to ascertain the then current benefits of Medicare.* Compare those benefits with those in your FEHB program and make your own decision.

The Civil Service Commission, while refraining from recommending what a person should do, does offer certain suggestions based on its considerable experience. The Commission suggests:

1. That a retiree may wish to continue his FEHB even if fully insured under Social Security because most plans under FEHB cover certain expenses not paid by Medicare. Many plans, for example, will pay hospitalization costs for more than 90 days covered by Medicare.
2. That a retiree carrying a high option under FEHB may wish to convert to low option. This could save several dollars a month and still provide for benefits not in Medicare. After age 65, changing options can be done at any time in the same plan, but changing to another plan can be done only at times shown in the table which follows. You should remember that the Association Benefit Plan has only the high option. Also, once you cancel your FEHB plan, you cannot reenroll in the same or another plan.

PART II

MEDICAID AND PRIVATE POLICIES

Medicaid is an umbrella for medical programs of the various states. Since these programs vary from state to state it behooves a retiree to become knowledgeable of the program of the state in which he will reside. Similarly, private policies are so varied that it is a responsibility of the retiree to relate his own private plan (if he has one) to his FEHB program, Medicare and Medicaid.

PART III

MEDICAL BENEFITS FOR MILITARY RETIREES

Most officers and enlisted personnel in the reserves or regulars are aware of the medical facilities available to them when they begin to draw retired pay. Those who are not should contact their parent service in the Pentagon before retiring. There they can learn how to use military base facilities and how to use CHAMPUS, the program that permits the use of civilian doctors and hospitals, with the retiree paying the first 25% of costs.

The military retiree should remember that at age 65 he must move to Medicare and give up military medical privileges if qualified for Social Security. This means that when he becomes eligible for military retired pay he should consider retaining his policy under FEHB to help with medical costs when he enters Medicare, unless he feels he has a satisfactory substitute. Some people have dropped their FEHB plan when becoming eligible to use military facilities, and then enrolled in private supplementary plans such as those available from the Reserve Officers Association. To do this is an individual decision and should only be made when it is advantageous to a personal situation.

Military Retirement Activities in the Pentagon may be contacted for information as follows:

| | |
|-----------------|-----------|
| Army | OX 3-7692 |
| Navy | OX 4-2745 |
| Air Force | OX 7-9395 |
| Marines | OX 4-2454 |

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OPPORTUNITIES TO CHANGE ENROLLMENT
(Applicable to Annuitants and Survivor Annuitants)

You may voluntarily cancel your enrollment, or change from Self and Family to Self Only, at any time. However, your cancellation or change to Self Only will not become effective until after you notify your retirement system in writing that you want to cancel or change to Self Only. Once you cancel your enrollment, it cannot be reinstated, and you cannot later enroll in another plan. You may make other changes in your enrollment only on specified occasions and within certain time limits, as stated in the following table.

To make any of these changes, write to your retirement system stating exactly the change you wish to make, the event which permits the change, and the date on which that event occurred.

| <i>Events Which Permit Change</i> | <i>From Self Only to Family</i> | <i>From One Plan or Option to Another</i> | <i>Time Limit in Which Election to Change Must Be Filed With Your Retirement System</i> |
|--|---------------------------------|---|---|
| Open Season. | Yes | Yes | November 15-30 each year. |
| Move from an area served by a comprehensive medical plan in which enrolled at time of move. | Yes | Yes | Any time after move. |
| Change in marital status. | Yes | Yes | From 31 days before to 60 days after change in marital status. |
| Other change in family status. | Yes | No | Within 60 days after change in family status. |
| Termination of enrollment by employee organization plan because of termination of membership in organization. | No | Yes | Within 31 days after termination of enrollment in plan. |
| Termination (under this program) of plan in which enrolled. | Yes | Yes | As set by the Civil Service Commission. |
| Self Only enrollment of spouse covered as an employee under this program terminates as a result of change in spouse's Federal employment status. | Yes | No | Within 31 days after spouse's enrollment is terminated. |
| Separation from active military service which was not limited to 30 days or less. | Yes | Yes | Within 31 days after separation from service. |
| Attainment of age 65. (Eligible for the Social Security Medicare Program.) | No | From high to low option in the same plan. | Anytime after 65th birthday. |

NOTE: If a member of your family covered under your Self and Family enrollment is also an annuitant, or is a Federal employee, and loses coverage under your enrollment for any reason other than by your cancellation, he (or she) may be eligible to enroll in a health benefits plan. In the event of such loss of coverage, the annuitant should write to his retirement system for information.

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